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July 3, 2013

Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701

Re: EEU 2013-01 Demand Resource Plan Proceeding

Dear Mrs. Hudson:

In response to discussions at the June 18, 2013 workshop in this proceeding, as refined by the Board's Memorandum of June 26, 2013, the Department of Public Service on behalf of itself, Vermont Energy Investment Corporation, operating as *Efficiency Vermont*, the appointed statewide Energy Efficiency Utility (EEU); and Burlington Electric Department (BED) in their capacity as the EEU in their service territory, files a proposed schedule, and an illustrated timeline for this proceeding, along with a Memorandum regarding Assumptions for Scenario Modeling. The schedule and illustrated timeline are edited versions of similar documents filed by these three parties on June 14, 2013. The illustrated timeline graphically depicts the numerous opportunities for stakeholder participation in the Demand Resource Plan Proceeding, which we believe to be a very important component of the process.

Given that the modeling of scenarios for electric budget and savings goals for: (1) a 3-year period; and (2) a 20-year period, as defined in the Board's June 10, 2013, Order initiating this proceeding, is a key element of the DRP process, and given that our proposed schedule calls for the Board to Request Scenario Proposals in the very near term, the Department, VEIC and BED believe it useful to communicate our current consensus thinking on which assumptions, at minimum, should be used in the modeling of these scenarios. While the enclosed memorandum notes that the source documents and methods for quantifying the assumptions are, for the most part, not yet determined, a consensus on which assumptions should be used is important if parties are to provide the Board with useful scenario modeling responses. We also provide the information in that we believe it may be helpful to the Board in framing the Request for Scenario Proposals in the relevant Board order on this subject.

Thank you for your consideration,



Brian Cotterill

Brian Cotterill

Energy Programs Specialist

Jeanne Elias

Jeanne Elias

Special Counsel

cc: EEU Service List (electronic service only)

EEU 2013-01
Demand Resources Plan Proceeding (DRPP)
Final Proposed Timeline

Note: This Timeline does not specifically state all comment and reply periods or workshops which we anticipate the Board will schedule as needed.

Phase 1 - DRPP Timeline & Request for Scenarios

(June 18 to August 1, 2013)

- PSB Order Initiating Proceeding (June 18, 2013)
 - o DRPP Opening Workshop
- DPS, EEU & other Stakeholders - Filing deadline July 3, 2013
 - o Proposed DRPP Timeline
 - Comment period: Stakeholder Input Opportunity
- DPS, EEU - Filing deadline July 3, 2013
 - o Proposed changes to the Process & Administration Document¹
 - PSB Workshop: July 16, 2013 - Stakeholder Input Opportunity
- PSB Order -Target Date August 1, 2013
 - o Establish DRPP Timeline
 - o Establish deadline for Electric 3- and 20-year Scenario Modeling recommendations including values for basis of scenarios and available modeling input assumptions [Suggested Filing Deadline August 15, 2013]
 - o Establish deadline for Electric and Heating & Process Fuels (HPF) Quantitative Performance Indicator (QPI) Framework Recommendations [Suggested Filing Deadline August 15, 2013]

Phase 2 – Define DRP Scenarios

(August 1 to September 30, 2013)

- DPS, EEU & other Stakeholders - Filing deadline (August 15, 2013)
 - o Electric 3- and 20-year Scenario Modeling recommendations including values for basis of scenarios and available modeling input assumptions

¹ Proposed change to the Process and Administration Document is presented in this Timeline because some proposed changes relate to the DRPP. It is recommended that changes to this document be addressed in a separate but parallel proceeding and that the proposed changes to the DRP section of the Process and Administration document be ruled on by the Board as a first priority.

EEU 2013-01
Demand Resources Plan Proceeding (DRPP)
Final Proposed Timeline

- Electric and HPF QPI framework recommendations
 - PSB Workshop: Week of August 26, 2013
- PSB Order (Target Date September 30, 2013)
 - Process and Administration document changes²
- PSB Order (Target Date September 30, 2013)
 - Electric 3- and 20-year Modeling Scenarios including values for basis of scenarios and available modeling input assumptions
 - Electric and HPF QPI framework

Phase 3 – Budgets

(October 1, 2013 to March 28, 2014)

- EEUs & other Stakeholders filing deadline (December 6, 2013)
 - Electric 3- and 20-year Scenario Modeling Results
 - PSB Workshop: Week of December 16, 2013
- PSB Order (Target Date December 31, 2013) setting deadlines as follows:
 - DPS to submit HPF budgets - January 10, 2014
 - Electric and HPF Resource Acquisition budgets and savings recommendations - February 14, 2014
 - Non-Resource Acquisition descriptions and budgets - February 14, 2014
 - EEU Compensation proposal - February 14, 2014
 - DPS evaluation budgets - February 14, 2014
- DPS filing deadline (January 10, 2014)
 - HPF Budgets for
 - Modeling Savings
 - Non Resource Acquisition

² DPS and EEUs propose that this be a Board ruling only on proposed changes to the DRP section of the Process and Administration document.

EEU 2013-01
Demand Resources Plan Proceeding (DRPP)
Final Proposed Timeline

- DPS, EEU's & other Stakeholders -Filing deadline February 14, 2014
 - o Budget and Savings Recommendations with Rate and Bill Impacts
 - Electric Resource Acquisition Budgets and Savings
 - HPF Resource Acquisition Budgets and Savings
 - Non-Resource Acquisition (Electric & HPF Split) Budgets and Descriptions
 - EEU Compensation (QPI Award and Operations Fees) Rates and Budgets
 - DPS Evaluation Plan and Budget
 - EEU Fiscal Agent and Fund Audit Budgets
 - PSB Workshop-Resource Acquisition elements: Week of February 24, 2014
 - PSB Workshop-Non-Resource Acquisition elements: Evaluation; Compensation: Week of March 3, 2014
- PSB Order (Target Date March 28, 2014)
 - o EEU Electric and HPF Resource Acquisition Budgets
 - o EEU Electric and HPF Non-Resource Acquisition Plans & Budgets
 - o EEU Compensation (Total Performance Award and Operations Fees) Budgets
 - o DPS Evaluation Plan & Budgets
 - o EEU Fiscal Agent and Fund Audit Budgets
 - o Establish deadline for updated savings estimates [Suggested filing deadline May 9, 2014]
 - o Establish deadline for QPI targets and incentive proposal [Suggested filing deadline May 9, 2014]

Phase 4 – QPI's & Omnibus Order

(April 1 to June 30, 2014)

- DPS, EEU's & other Stakeholders filing deadline (May 9, 2014)
 - o Updated Electric and HPF savings estimates
 - o QPI Targets
 - o QPI Incentive Scaling and Weighting Proposal
 - PSB Workshop: Week of May 19, 2014

EEU 2013-01
Demand Resources Plan Proceeding (DRPP)
Final Proposed Timeline

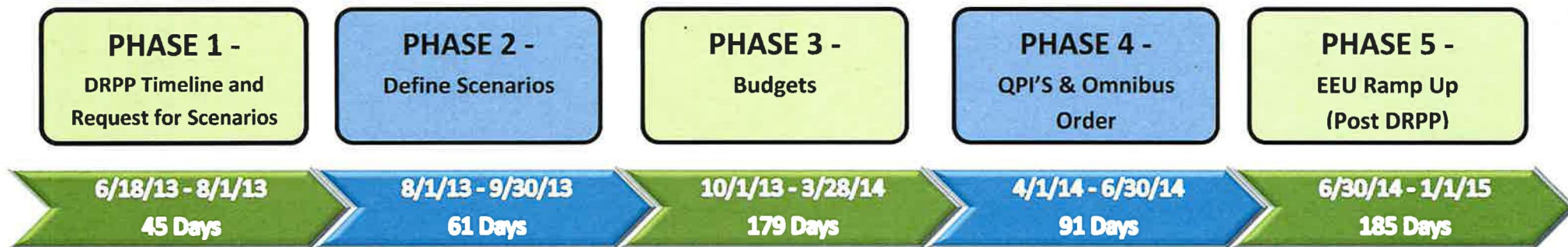
- DPS, EEUs & other Stakeholders filing deadline (June 6, 2014)
 - o Proposed Omnibus Order
 - Comment Deadline (June 13, 2014)
- PSB Final DRPP Order (Target Date June 30, 2014)
 - o QPI
 - o Omnibus Order encompassing all orders issued in EEU 2013-01

Phase 5 – EEU Ramp-Up

(185 days – June 30 to January 1, 2015)

- EEUs conduct (To be concluded by September 30, 2014)
 - o Public and Stakeholder engagement process
- EEUs file (November 1, 2014)
 - o Final Triennial Plan (DRP)

DRPP 2013-2014 Proposed Timeline (July 2, 2013)



◆ PSB Order - DRPP Opening Workshop 6/18/13

◆ DPS, EEU's & Other Stakeholders Filing Deadline - Proposed DRPP Timeline 7/3/13: ★
– PSB Comment Period ★

◆ DPS & EEU's Filing Deadline - Proposed Process & Administration Document Changes 7/3/13:
– PSB Workshop 7/16/13 ★

◆ PSB Order Target Date 8/1/13:
– Establish DRPP Timeline
– Set filing deadline for Electric 3- and 20- year Scenario Modeling recommendations (incl. values for basis of scenarios and available modeling input assumptions) 8/15/13
– Set filing deadline for Electric and Heating & Process Fuels (HPF) Quantitative Performance Indicator (QPI) Framework 8/15/13

◆ DPS, EEU's and Other Stakeholders Filing Deadline 8/15/13: ★

- Electric 3- and 20- year Scenario Modeling recommendations (incl. values for basis of scenarios and available modeling input assumptions)
- Electric & Heating & Process Fuels (HPF) Quantitative Performance Indicator (QPI) Framework Recommendations
– PSB workshop, week of 8/26/13 ★

◆ PSB Order Target Date 9/30/13:
– Process and Administration Document changes

◆ PSB Order Target Date 9/30/13:
– Electric 3- and 20- year Scenario Modeling recommendations (incl. values for basis of scenarios and available modeling input assumptions)
– Electric & HPF Quantitative Performance Indicator (QPI) Framework

◆ EEU's & Other Stakeholders Filing Deadline - Electric 3- & 20- Year Scenario Modeling Results 11/29/13: ★

- PSB Workshop, week of 12/16/13 ★
- ◆ PSB Order Target Date 12/31/13:
– HPF Budgets by DPS 1/10/14
– EEC & HPF Resources Acquisition (RA) Budgets/Savings Recommend. 2/14/14
– Non-RA (NRA) Descriptions & Budgets 2/14/14
– DPS Evaluation Budgets 2/14/14

◆ DPS Filing Deadline - HPF Budgets for Modeling Savings & Non-Resource Acquisition 1/10/14

◆ DPS, EEU's & Other Stakeholders Filing Deadline - Budget & Savings Recommendations with Rate & Bill Impacts 2/14/14: ★

- Electric RA Budgets and Savings
- HPF RA Budgets and Savings
- Electric & HPF NRA Budgets/Descriptions
- EEU Compensation (QPI Award and Operations Fees) Rates and Budgets
- DPS Evaluation Plan and Budget
- EEU Fiscal Agent and Fund Audit Budgets
– PSB Workshops: 1) RA Evaluation and Compensation, week of 2/24/14; ★ and 2) NRA Evaluation and Compensation, week of 3/3/13 ★

◆ PSB Order Target Date 3/28/14:
– EEU Electric and HPF Resource Acquisition (RA) Budgets; and Non-RA Plans and Budgets
– EEU Compensation (Total Performance Award & Operations Fees) Budgets
– DPS Evaluation Plan and Budgets
– EEU Fiscal Agent and Fund Audit Budgets
– Set Filing Deadline of 5/9/14 for: 1) Updated Savings Estimates; and 2) Quantifiable Performance Indicator (QPI) Targets and Incentives Proposal

◆ DPS, EEU's & Other Stakeholders Filing Deadline 5/9/14: ★

- Updated Electric & Heating and Process Fuels (HPF) Savings Estimates
- Quantitative Performance Indicator (QPI) Targets
- Quantitative Performance Indicator (QPI) Incentive Scaling and Weighting Proposal
– PSB Workshop, week of 5/19/14: ★

◆ DPS, EEU's & Other Stakeholders Filing Deadline - Proposed Omnibus Order 6/6/14: ★
– PSB Comment Period, week of 6/13/14 ★

◆ PSB Order Target Date 6/30/14:
– QPI
– Omnibus

◆ EEU's Conduct Public/Stakeholder Engagement Process (concluded by 9/30/14) ★

◆ EEU's Filing Deadline - Final Triennial Plan (DRP) 11/1/14

DEMAND RESOURCES PLAN PROCEEDING – 2013-2014

EEU-2013-01 (EEU DEMAND RESOURCES PLAN)

Stakeholder Input Opportunity Information

VERMONT PUBLIC SERVICE DEPARTMENT

VERMONT ENERGY INVESTMENT CORPORATION

BURLINGTON ELECTRIC DEPARTMENT

COMMON ASSUMPTIONS

PROPOSED FOR DRP SCENARIO MODELING

The Vermont Department of Public Service (DPS or Department), the Vermont Energy Investment Corporation (VEIC), and Burlington Electric Department (BED) in conjunction with Phase 1 of the DRPP and in anticipation of the inclusion of a *Request for Scenarios* as a component of the schedule to be established by the Vermont Public Service Board (Board) for EEU-2013-01 (EEU Demand Resources Plan) have identified categories of key input assumptions vital for scenario modeling. These assumptions relate to scenarios for electricity resource acquisition budgets and savings goals for both a 3-year period and a 20-year period.

Electric scenarios have not yet been determined by the Board, but DPS, VEIC, and BED understand that the assumption categories identified in this document will likely be necessary to support and inform the modeling of the scenarios for electric budget and savings goals for: (1) a 3-year period; and (2) a 20-year period, as defined in the Board's June 10, 2013, Order initiating this proceeding. While not a Board requirement, the DPS, VEIC and BED encourage any Stakeholders planning to propose and /or model electric scenarios to consider and document values for these, and possibly other, scenario modeling assumptions.

The Department, VEIC, and BED recognize that budgets and savings goals for heating-and-process fuels (HPF), across a 10-year period, will constitute an additional scenario which will be considered at a future point in the proceeding.

Table 1 presents an initial catalog of proposed modeling input assumptions that will affect scenario results. The DPS, VEIC, and BED are coordinating efforts to minimize differences associated with modeling assumption methodologies and values. Stakeholders interested in using the assumption

values developed by DPS, VEIC and BED for scenario modeling should contact Brian Cotterill (brian.cotterill@state.vt.us) at the Department.

Table 1. Assumptions supporting electric scenario modeling (source documents and method for quantifying the assumptions are largely not yet determined).

ASSUMPTION	SOURCE DOCUMENT OR METHOD FOR QUANTIFYING THE ASSUMPTION
Category: Policy	
Low-income – sector equity requirements	
Small business – sector equity requirements	
Residential – sector equity requirement	
Commercial & Industrial - sector equity requirement	
Category: Modeling Inputs	
Base appliance and equipment energy efficiency levels	
Impacts of changes in Codes and Standards on reduced efficiency potential	
Avoided costs	Current <i>Avoided Energy Supply Costs in New England</i> report or most recent Board Order regarding Avoided Costs
Self-Managed Energy Efficiency Program (SMEEP) participant load	
Measure decay	
Free Rider / Spill Over rates	

ASSUMPTION	SOURCE DOCUMENT OR METHOD FOR QUANTIFYING THE ASSUMPTION
Behavioral measures	
AMI-enabled measures	